Highest temperature yesterday, 22; lowest, 10. Detailed weather reports will be found on editorial page.

THE NEW YORK HERALD

The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better

VOL. LXXXVI.—NO. 148—DAILY.

NEW YORK, WEDNESDAY, JANUARY 25, 1922.—ENTERED AS SECOND CLASS MATTER.

PARLEY IN ITALY

Upper House Members Resent

Reports of a Harding

Declination.

SEE BILLIONS STAKED

Restoration of Economic Eu-

rope Must Not Be Ignored,

Many Declare.

Special Dispatch to TSE NEW YORK HERALE New York Herald Bureau,) Washington, D. C., Jan. 24.

After the Senate by a viva voce vot

had rejected the resolution introduced

a few days ago by Senator Walsh (Mont.), which provided that the Sec-

retary of State tell the Senate the

status of the Shantung issue pending

before the arms conference, the ques-

tion of the participation of this coun-

try in the economic conference at

Senator King (Utah) brought up

the question by calling attention to

Harding had consulted Secretary

published statements that President

Hughes, Secretary Hoover, Elihu

Root, Senator Brandegee (Conn.) and

others about participating in the con-

ference, and that it had been decided

It was announced officially at the

White House this afternon that no

decision had been reached, but that

Powers of President.

and sounder newspaper than ever before. PRICE TWO CENTS {

BONUS IMPERILS TREASURY, MELLON WARNS CONGRESS

Can Meet It. He Asserts.

Dangerous Inflation Would

Second on List.

Special Dispatch to THE NEW YORK HERALD New York Herald Bureau, Washington, D. C., Jan. 24. Secretary of the Treasury Mellon

told the Ways and Means Committee of the House and the Einance Com bonus legislation at this time—by Gibney Took Money From Sid- Three White Members of Band mittee of the Senate to-day that whatever means paid-would be a serious if not disastrous drain upon the Treasury, upon the nation and upon the people. Secretary Mellon made these points:

The Treasury faces a deficit for the current fiscal years of \$24,000,-000. For the fiscal year 1923 it faces a deficit of \$167,000,000 on the basis of the budget, with a probable \$112,000,000 additional in items not carried in the budget, but to be appropriated by Con-

Taxes on the present basis are too onerous for the country's

Expenditures must be reduced still further-not increased. The Government faces a heavy

shrinkage in receipts, this shrinkage being faster than the lessening of expenditures by the great conomies effected.

Veterans Getting \$450,000,000.

Veterans of the war are not now being stinted. In all \$450,000,000 a year is being spent for their ref. This is more than any other single item of Government outgo except interest on the public debt.

It would be dangerous in the extreme to attempt to finance the expenditures involved in the bonus through new borrowing.

If the Government should greatly increase the public debt, inflation and higher money rates would prejudice business and industry and the Treasury's own

The Treasury faces a serious situation in the refunding of six and a half billion dollars of war debt, and this cannot be done if the process is embarrassed by other operations.

If bonus legislation is adopted, new and extraordinary taxes must be simultaneously provided to pay for it. On the present basis an additional \$300,000,000 is needed to balance the budget.

Most conservative estimate is that the bonus would cost \$3,330,-000,000 and possibly cost \$5,250,-000,000. The estimated minimum payment for the first two years is \$850,000,000, with a probable \$1,000,000,000.

Use of foreign debt is impracticable and too costly.

Secretary Mellon's letter was sent in response to a request from Chairman Fordney of the Ways and Means Committee of the House asking his view on behalf of the committee with regard to the outlook for Governrecommendations as to legislation.

Tacked to Debt Bill.

After the Mellon letter was received, but before its contents had been made generally known in both houses, Senator Simmons (N. C.) tacked the McCumber bonus measure on the foreign debt refunding bill as an amendment. He sought to provide payment through sale or conversion of the foreign debt.

Secretary Mellon made no tax suggestions or recommendations, but presented exhibits showing the condition of the Treasury and the public debt. He closed with the statement that he presented such an extended analysis that the Congress might have before it in definite form "the facts as to what financial consequences the soldiers' bonus would entail and what added burdens it would inevitably place upon the country." Secretary Mellon's letter follows:

'It appears that for 1922 the budget estimates indicate a deficit of over

FLORIDA - NEW FAST TRAIN - 3:40 F. M. All East and West Coast Resorts. Seaboard Air Line Ry., 142 W. 42d St. - Adv.

NICKEL FARE SHOULD GIVE

He Tells Mr. de Ford Transit Law Would Prevent Arbitrary Increase—People Now Are Paying Up to 20 Cents, but Do Not Realize It.

All indications are that a 5 cent FEARS BOOST IN DEBT Miller. His statement came to-day when increase the rates of such companies to FAKE RECEIPT IS USED

DeFord's letter suggesting amendment to the transit law. "The transit commis

Treasury Head.

CITES VETERANS ITEM

CITES VETERANS ITEM

CITES States, tentatively at least, that a 5 cent fare is entirely practical and ought to assure proper service," the Governor said. "The people of New York have talked so much about 5 cents that even they are paying 7, 12, 15 or 20 cents—tif they do not pay more than 5 cents at one time—they have got it into their heads they really are getting a 5 cent fare. With that myth they have for flere was no intention the law should have in it any such provisio as suggested by Mr. De Ford. The subject is the deal with it."

The Governor said he knew the point meet that very point.

"Whether the change made was adequate to meet the situation may be a quaestion," Mr. Miller said. "I would think the law would prevent the companies or commission from arbitrarily increasing fares in the event any of the cempanies does not accept the plan. Further study may suggest the desirability of further amendment, and if so, it certainly will have my approval. There was no intention the law should have in it any such provisio as suggested by Mr. De Ford. The subject is in the hands of a commission entirely point.

The Governor said he knew the point

The Governor pointed out that last

SECRETARY ADMITS LIFE TERMS TO FIVE THEFT OF \$280,000 FOR LABOR LYNCHING

nev Z. Mitchell to Give to Relative.

LOST IN GRAIN PLUNGING

Electric Bond and Share Head Gets Back \$20,000 and May Be Further Reimbursed.

William P. Gibney, member of a Broadway. Restitution of about \$20,-000 already has been made, it is said. and counsel for the defendant said he vould be able to make good between \$100,000 and \$200,000 within a few years. He was remanded to the Tombs

from certain business operations.

Mr. Mitchell told Judge Crain he

Mr. Mitchell told Judge Crain he hoped the defendant would get a substantial sentence as an example to other employes open to the same temptations that confronted Gibney.

S. J. Florentine, president of the United Barber Shops, Inc., who employed Gibney after he had left Mr. Mitchell, wrote a letter to Judge Crain in which he offered to take the defendant back into his employ, raise his salary to of non-union men were said to be and

ment finances and suggestions or BURGLARS LOOT HOME . ON 5TH AVE. CORNER Edwin Burkhardt's House

Stripped of Valuables.

WOMAN GYNECOLOGIST KILLED.

PHILADELPHIA, Jan. 24.—Dr. Ella B. Everitt, professor of gynecology of the Woman's Medical College, was killed to-day when her automobile was struck by

TWO ARRESTED HERE AMERICAN VIEWS ON THE GENOA INU.S. FUR TAX PLOT **NETTING \$2,000,000**

Indictment of Fifty Com- WANT U. S. TO AID panies to Follow, Say Government Agents.

eral Employee Awaiting Sentence, Is Held.

BAIL IS SET AT \$15,000

Five Concerns Accused of Evading Payment of \$138,000

A conspiracy by which it is charged he Government has been robbed of at least \$2,000,000 in taxes on furs in the ast year was disclosed here yesterday United States officers. Morris Rosenblum, a former internal revenue inspector, and Herman Schuss were arrested and fifty New York fur dealers are accused in the plot.

Rosenblum was dismissed from the Federal service in June, 1919, when he pleaded guilty of accepting a bribe of \$9,000 for taking part in an income tax fraud. He was released on bail. and since has been awaiting sentence. In 1919 his address was Rockwaay Beach, where he lived modestly with

terday in an uptown hotel, where they occupied large separate suites. Each kept an expensive automobile and a chauffeur.

For about a year William B. Robin-son, special agent of the Internal Revenue Department, has conducted an investigation of the fur trade. About 3,000 manufacturing furriers are in this city in General Sessions to the theft of \$280,000 from a former employer, Sidney Z. Mitchell, president of the Electric Bond and Share Company, 71 when they pleaded guilty to-day be-

"It was part of the conspiracy," Rob-inson said, "for the defendants to collect large sums from various fur manufac-turers in exchange for receipts purport-

Berlin, Jan. 24.—The capital with which to construct the proposed Rhine-Main-Danube Canal has been heavily oversubscribed.

The Rhine-Main-Danube Canal is the biggest waterway scheme ever undertaken in Europe. The project was announced in Berlin on December 20 last. the initial capital being 1,200,000,000 marks worth of canal will be 3,437 kilometers. It he initial capital being 1,200,000,000 marks. The canal is proposed to connect the Rhine and the Main with the Danube, linking the North Sea with the Black Sea, and it is estimated that the well as the Central, Bavarlan, Baden. Hesse and Thuringian governments, are possible delay of the North Sea with the Black Sea, and it is estimated that the well as the Central, Bavarlan, Baden. Hesse and Thuringian governments, are interested in the project.

That part of the canal which will be built across a reported here to constructed first will be built across a postponed. It was reported here to might that a movement in this direction is already taking form, but nothing that a movement in this direction is already taking form, but nothing drew its troops from Siberia in the postponed. It was reported here to might that a movement in this direction is already taking form, but nothing drew its troops from Siberia in the project will be spring of 1200, because it considered that the original purposes of the expedition had either been accomplished or would no longer be subserved by continued.

Owing to the prevalence of influenza there every effort is being made to keep the prevalence of influenza the termined.

Owing to the conclave the conclave the original purposes of the expedition had either been accomplished or would no longer be subserved by continued.

Owing to the conclave the original purposes of the expedition had either been accomplished or the termined.

Owing to the conclave the conclave the original purposes of the expedition had either been accomplished or nearly 400 persons, with the prevalence of influenza the termined.

Continued on Page Two.

The Rhine

Continued on Page Two.

FRANCE WOULD CLEAR WAY BY ANGLO-FRENCH PACT

PARLEY NOT ACCEPTABLE TO PARIS;

COMING MEETING STIRS SENATE

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau.

N appeal that the Anglo-French pact be settled immediately

so as to clear the way for the Genoa conference is one of the outstanding points in Premier Poincare's note to the French Ambassador in London, The New York Herald correspondent was informed late to-night by a high official of the French Embassy. There is also insistence that the old diplomacy be waived in sub stance and that Comte de Saint Aulaire, the French Ambassador, has been instructed to arrange for conversations with Lord Curzon, British Secretary of State for Foreign Affairs, as soon as possible.

The informant said that as a result when Lord Curzon speaks to Comte de Saint Aulaire he speaks practically to Premier Poincare. This is accepted to mean that Premier Poincare has been converted to the Lloyd Georgian, instead of the old time diplomatic, method of adjusting differences. The French official said that M. Poincare makes it clear that the treaty is the sole obstacle to the Genoa conference, in his opinion, and added that he believed the note would highly please the British, who are anxious to retain French friend-

Comte de Saint Aulaire also has been instructed to urge postponement of the Angora and Tanglers questions for the Ambassadors' conference in Paris, so that nothing will stand in the way of the pact ad the Genoa conference.

The Foreign Office indicates there will be no wavering in con mection with the clause in the Anglo-French pact which would modify the French submarine policy, and one official here told The New York Herald correspondent the American attitude greatly strengthened the British position. It is hoped here that the feeling which exists in Washington will simplify the adjustment of the pact and therefore, the premiminaries to the Genoa conference.

CARDINALS DIFFER ON VATICAN POLICY

of Party Opposed to Italian Unity.

Full Swing, 58 Rooms

sand voter Alen, 27, colain of the Jorden was remanded to the Tombs for sentjence on Friday.

Girméy who is 24, was living at the both negroes.

Whitley and Yeurta are members of that the lived with his wife at 73 Fentimore street, in a home he owned. In a signed confession he said that a male relative by marriage was responsible for the lived with his wife at 73 Fentimore street, in a home he owned. In a signed confession he said that a male relative by marriage was responsible for the man liphney and results and the man of the previous of the band are John Yearts, and the form of the series of the band are John Yearts, because of the John Yearts,

of the Vatican's regulations governing

"I agree with him that it is possible for the President, as commander-in-chief of the army and navy, to so man-ipulate the branch of the government as elections in the papal succession. Meanwhile rivairies of various tendencies are beginning to show themencies are beginning to show themselves in the Sacred College. Cardinal Merry del Val is reported to have handed a protest to Cardinal Vannutelli, dean of the Sacred College, against the alleged too friendly attitude of Cardinal Gasparri, who was Pope Benedict's secretary of state, in communicating the death of the Pope to the Italian authorities. Thus it is seen that the intransigeant Cardinals, who are led by Cardinal Merry del Val, the bittest opponent of the policy of the late Pope, intend to attempt to ipulate the branch of the government as to create conditions from which the country extricate itself as a free agent. Perhaps, and if it is so, the powers of the President, not only as to the direction of the army and navy, but as to his instructions to all ambassadors and ministers and dipiomatic officials, ought to be exercised with the greatest care. "I desire to ask the Senator whether

> The Observatore Romano, official organ of the Vatican, to-night issued a denial of the report that there had been a written protest, but it seems evident some form or another.

Preparations for the conclave are now in full swing. Tons of timber are being carried into the Vatican by the army of arrived into the Vatican by the army of workmen who are preparing rooms for fity-eight Cfardinals, the maximum number, who will take part in the conciave. This number was reduced by one when the death of Cardinal Almarax y Santos, Archbishop of Toledo (Spain) was announced. Cardinal Prisco, Archbishop of Naples, will be unable to attend the conclave owing to his advanced age, and it is not expected that the South American Cardinal will be able to arrive here in time for the conclave. The college now contains alxy members, and the possible delay of the North American Cardinals has given rise to a report that the date of the conclave be postponed. It was reported here tonight that a movement in this direction is already taking form, but nothing definite in this regard has yet been determined.

CONFERENCE TO GET PLEDGES ON SIBERIA

Merry del Val Called Leader Hughes Presents Statement Reviewing American and Japanese Differences.

GASPARRI TOO FRIENDLY HE WANTS IT ON RECORD

Preparations for Conclave in Resolution to Forbid Arms Imports Into China Held Up Providea. Pending Study.

military operation in Siberia, to impair the rights of the Russian people in any respect, or to obtain any unfair commercial advantages, or to absorb for her two nations—questions such as M. own use the Siberian fisheries, or to set up an exclusive exploitation either of the resources of Sakhalin or of the

it was said:

The Japanese Government, being anxious to fail in with the desires of the American Government and also to act in harmony with the Allies in this expedition, have decided to proceed at once to dispatch suitable forces for the proposed mission. A certain number of these troops will be sent forthwith to to Viadivostok. In adopting this course the Japanese Government remains unshaken in their constant desire to promote relations of enduring friendship with Russia and the Russian people and reaffirm their Ing friendship with Russia and the Russian people and reaffirm their avowed policy of respecting the terri-torial integrity of Russia and of ab-staining from all interference in her internal politics. They further de-clare that, upon the realization of the projects above indicated, they will immediately withdraw all Japan-

NEED OF U. S. FELT

French Government Intimates Conference Cannot Succeed Without Aid of America.

TO TALK WITH CURZON

Poincare to Meet British Foreign Secretary in Paris This Week.

FIRM FOR GUARANTIES

French Surprised at Tendency to Seek Limitation of Rhine Force.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD

It was clearly indicated to-day that he conditions, according to Washington dispatches, which the American Government was likely to lay down precedent to its attendance at the Genoa conference, namely a revision of the schedule of reparations payments by Germany and a reduction of the allied forces of occupation on the Rhine, would not be acceptable to the French Government.

Meanwhile it is more significant than ever that the French Government continues to intimate that the Genoa conference cannot hope for success without the presence of the United States. Thus the conference itself seems still to be hanging in the balance, although more and more French business circles appear to be favoring the conference, as they are realizing that the whole problem of

European reconstruction is at stake. Influential newspapers like the Cablegromme daily are urging the Government to accept the invitation to the Genoa conference without de lay for these reasons. Apparently the Government's position now turns largely on the outcome of the meeting between Premier Poincare and Lord Curzon, British Secretary of State for Foreign Affairs, which it was announced to-day will be held in Paris at the end of this week, and as it is evident that Lord Curzon's arguments will differ little from those being advanced from important a document of upward of 2,000 words. American sources, the outcome of the be held in the greatest secrecy is

being awaited with tense interest. Although the talk with Lord Curzon is not designed especially to deal with the Genoa controversy, it any conclusion of a definite Anglo-French pact, and France's opposition to any reduction in her guarantees from Germany, as well as a guarantee against Bolshevist aggressions, must come up officially at this

Reservations Increase. The growing list of reservations by

the United States and France is readily conceded as increasing the the late Pope, intend to attempt to American Government opposed the idea appeal their protest against the ever of a military intervention, but regarded ly as the French are now stressing increasing moderate tendency within military action as admissible at the the importance of full participation increasing moderate tendency within increasing moderate tendency within the Sacred College, which wishes to carry out the late Pope's policy, ultime. The Japanese Government, with the same purpose, set forth its position in mately leading to the restoration of mately leading to the restoration of mately leading to the restoration of a statement published by the Japane e must be a discussion of the inter-Government on August 2, 1948, in which Allied debts, as no country in Eugens and the country in Eugens an any financial settlement which does not take American claims into consideration.

"The United States," says the Temps, "cannot assist without her role as Europe's creditor appearing foremost, and, consequently, without the question of inter-Allied debts arising. Will the Government of the United States consent to this discussion before the conference? It would be highly desirable for the good of the whole world and also particularly in order that the conference shall not become a fiasco."

will immediately withdraw all Japanese troops from Russian territory
and will leave wholly unimpaired the
sovereignity of Russia in all its
phases, whether political or military.
The United States of America withdrew its troops from Siberia in the
spring of 1920, because it considered
that the original purposes of the expedition had either been accomplished or
would no longer be subserved by continped military activity in Siberia. The
American Government then ceased to be
a party to the expedition, but it remained a close observer of events in
eastern Siberia and has had an extended The French are especially surprised

availing as far as German reparations ary concerned, and that therefore the

GOOD SERVICE, SAYS MILLER

Only New and Heavy Taxes Special Dispatch to THE NEW YORK HERALD raised by Mr. De Ford had been con-New York Herald Bureau, Sidered and might be the subject of fare is entirely adequate in New York sistant corporation counsel, contends and that railroad companies ought to that if the transit companies do not be able to give service to meet all public accept the plan of the commission, then needs on that basis, is the belief of Gov. the commissio would be compelled to

cates, tentatively at least, that a 5 meet that very point.

commenting on William A. assure a fair return on investments. year after his bill was presented to the ision report indi- legislature, he suggested a change to Confessed Briber, Ex-Fed-

Breaker. DENIED TOUCHING ROPE

Which Hanged Negro Strike

Youths Belonged to Packers' Union Out on Strike in Oklahoma.

OKLAHOMA CITY, Jan. 24 .- Five selfprominent Brooklyn family, pleaded confessed members of the party that guilty yesterday before Judge Crain lynched Jake Brooks, negro packer fore Judge James I. Phelps in District

> The five are Lee Whitley, 29: Charles Polk, 19; Elmer Yearta, 19, all white, and Robert Allen, 27, cousin of the lynched man, and Nathan Butler, 40, both negroes.

the Grand Jury. I am still willing to do that or anything else to help recover the lost sum."

The \$20,000 which he has returned there," the County Attorney said. On to Mr. Mitchell was represented by his account of their youth and for the furautomobile and home. The \$100,000 to \$200,000 which his attorney, Samuel Furstenburg, says he may be able to provide is a sum he expects to realize the control of the men stated he did not be a sum he expects to realize the control of the men stated he did not be a sum he expects to realize the control of the men stated he did not be a sum he expects to realize the control of the men stated he did not be successful.

know whether the union officials knew anything about the intention or acts of

wrote a letter to Judge Crain in which he offered to take the defendant back into his employ, raise his salary to \$5,000 a year and assign a part of this to Mr. Mitchell.

The \$250,000 was his personal property, said Mr. Mitchell, and its loss will not cause his concern to suffer.

They all said they understood they were going to a dance where, a number of non-union men were said to be and start a fight. Even after Psaid, they were taking him out to tell him not to go back to work and possibly to whip him.

SKATER IN ICY WATER SAVED BY HUMAN CHAIN Lewis Boyce Is 'Grappling

Hook' at Beacon Rescue.

BEACON, N. Y., Jan. 24.-John Kim-

bark and Lewis Boyce formed a human chain here this afternoon and saved the life of Vincent Klank, after Klank had fallen through the ice while skating with other boys on Fishkill Creek, near here.

Kimbark and Boyce were in the crowd when Klank went through the ice. Boyce crawled out on the ice with Kimbark holding to his feet, while caher boys held Kimbark's feet. Boyce finally

SANTA BARBARA, Cal., Jan. 24.-More SANTA BARBARA, Cal., Jan. 24.—More than 50,000 clams were killed along the famous Pismo beach by the cold weather the last few days, H. M. Becker, of San Luis Obispo, Fish and Game Commissioner for that district, said to-day.

Thousands of sea gulls and pelicans are swarming the beach feasting on the clams.

Deerfoot Farm Sausages are better because of choicest materials and dainty preparation. Made at the Farm at Southborough.—Adv.

DELLA ROBBIA DINNER DANCES, Vanderbilt Hotel, Thursday evening, 7:30 during January. Price 53.—Adv.

one probably would be reached and annouced by the end of the week. Wants to Participate. "In view of the importance of the Genoa conference, not only to Europe but to the United States," said Senator King, "it seems to me it would be un-wise for this Government to determine wise for this Government to determine not to participate. Certainly the Senate ought to have something to say of a matter of that kind."

Senator Brandegee replied that he did not knong whether any decision had been reached. He stated that he had conferred with the President and had given to him his views.

"The President had the temerity to fee quest me to give my views," said Sena-The investigators charge that Rosen

Large Sums Involved.

turers in exchange for receipts purporting to be receipts from the collector of
internal revenue for this district."

Rosenblum and Schuss are charged
specifically with delivering on November 30, 1921, to Welss & Cooperman,
furriers, 147 West Twenty-fifth street,
a fraudulent receipt for sales taxes
amounting to \$1,420.90.

Records in the United States Attorney's office show that Rosenblum was
indicted in 1919 with Morris S. Rachmil
and Abraham Lincoln Samuelson, public accountants, for attempting to de-

amounting to \$1,429.90.

Records in the United States Attorney's office show that Rosenblum was indicted in 1919 with Morris S. Rachmili and Abraham Lincoln Samuelson, public accountants, for attempting to defraud the Government of income taxes due from the Coastwise Warehouse Company and about a dozen other corporations.

Rachmil was found guilty and sentenced to six months in prison. Samuelson was acquitted. Rosenblum, atthough he pleaded guilty, was released on \$7,500 ball and because the Government used him as a witness against the others his sentence has been postponed.

HELIUM TO BE COMPRESSED.

World's Supply to Be Taken From Bag of Dirigible C-7.

Newfort News, Jan. 4.—The world's supply of helium, incased in the bag of the dirigible C-7 at the Hampton Roads naval base, is to be compressed and sent elsewhere. Orders to this effect have been received here and the C-7 is to be deflated before February 1.

The gas, it is understod, will be taken to another station for experimental purposes.

California, and the house is boarded up and unoccupied. He has been telegraphed for and is expected to arrive soon to make an inventory of the articles in the house so that the police may get a list of the loot. Detectives of the East 104th street station were notified of the burglary Sunday night by neighbors, who saw a light burning in a window of the Burkhardt house. The building was surrounded and a search made, but the burglars had apparently completed their job and left. They had Jimmied their way in through a rear door. Savra Ramana, Cal. Jan. 24.—More Main-Danube Canal Main-Danube Canal has been heavily. They made, but the proposed Rhine-constructed first will be built a rear door. Rhine-Main-Danube Canal Offer